

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company : PASUPATI SPG. & WVG MILLS LTD.

Quarter ended on : 31-12-2014

| Particulars | Clause of Listing Agreement | Compliance Status Yes/No | Remarks | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| II) Board of Directors | 49 II | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (A) Composition of Board | 49 1 (A) | Yes | <p>The Board has Eight (8) Directors, out of which three, Directors are Executive and Non-Independent , four Directors are Non-Executive and Independent and one Director is Non Executive and Non Independent.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name of Director</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mr. Ramesh Kumar Jain</td> <td>CMD. Executive and Non Independent</td> </tr> <tr> <td>2</td> <td>Mr. Vidit Jain</td> <td>Whole Time Director. Executive and Non Independent</td> </tr> <tr> <td>3</td> <td>Mr. R.K.Bhardwaj (w.e.f.1-8-2014)</td> <td>Whole Time Director. Executive and Non Independent</td> </tr> <tr> <td>4</td> <td>Mrs. Vrinda Jain (w.e.f.1-7-2014)</td> <td>Non Executive and Non Independent</td> </tr> <tr> <td>5</td> <td>Mr. Ghanshyam Das Gupta</td> <td>Non Executive and Independent.</td> </tr> <tr> <td>6</td> <td>Mr. Anil Gupta (w.e.f 1-7-2014)</td> <td>Non Executive and Independent</td> </tr> <tr> <td>7</td> <td>Mr. Praveen Palwial</td> <td>Non Executive and Independent</td> </tr> <tr> <td>8</td> <td>Mr. Ashwani Kumar Rahtore</td> <td>Non Executive and Independent</td> </tr> </tbody> </table> <p>Total No. of Directors - Eight No. of Independent Directors - Four No. of Non-Executive Directors - Five The Non-executive Independent Director of the company satisfies the definition of the independent director under Clause 49 of the Listing Agreement.</p> | No. | Name of Director | Category | 1 | Mr. Ramesh Kumar Jain | CMD. Executive and Non Independent | 2 | Mr. Vidit Jain | Whole Time Director. Executive and Non Independent | 3 | Mr. R.K.Bhardwaj (w.e.f.1-8-2014) | Whole Time Director. Executive and Non Independent | 4 | Mrs. Vrinda Jain (w.e.f.1-7-2014) | Non Executive and Non Independent | 5 | Mr. Ghanshyam Das Gupta | Non Executive and Independent. | 6 | Mr. Anil Gupta (w.e.f 1-7-2014) | Non Executive and Independent | 7 | Mr. Praveen Palwial | Non Executive and Independent | 8 | Mr. Ashwani Kumar Rahtore | Non Executive and Independent |
| No. | Name of Director | Category | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Mr. Ramesh Kumar Jain | CMD. Executive and Non Independent | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Mr. Vidit Jain | Whole Time Director. Executive and Non Independent | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Mr. R.K.Bhardwaj (w.e.f.1-8-2014) | Whole Time Director. Executive and Non Independent | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Mrs. Vrinda Jain (w.e.f.1-7-2014) | Non Executive and Non Independent | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Mr. Ghanshyam Das Gupta | Non Executive and Independent. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Mr. Anil Gupta (w.e.f 1-7-2014) | Non Executive and Independent | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Mr. Praveen Palwial | Non Executive and Independent | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Mr. Ashwani Kumar Rahtore | Non Executive and Independent | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (B) Independent Directors | 49(IIB) | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (C) Non – Executive Directors’ compensation & disclosures | 49 (IIC) | Yes | <p>The payment of sitting fee to the Non-executive Directors of the company for attending the meetings of the Board of Directors has been approved and is being paid within the limits and as prescribed by the Central Govt. or such other limits as prescribed by the Central Government from time to time in this behalf.</p> <p>Except Sitting fee, no other fee/compensation is being paid to the Non-executive / Independent Director/s. The pecuniary relationship / transactions of the Non-executive Director/s for the year ended 31.03.2014 has been disclosed in the Annual Report for the year 2013-14.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (D) Other provisions as to Board and Committees | 49 (IID) | Yes | <p>Following are the details of the Meetings held during the quarter ended on 30-09.2014:</p> <table border="1"> <thead> <tr> <th>Meetings</th> <th>Date</th> <th>No. of Members</th> <th>Member Present</th> </tr> </thead> <tbody> <tr> <td>Board Meeting</td> <td>14-11-2014</td> <td>8</td> <td>8</td> </tr> <tr> <td>Audit Committee Meeting</td> <td>14-11-2014</td> <td>3</td> <td>3</td> </tr> <tr> <td>Stakeholders Relationship Committee</td> <td>10-10-2014 20-10-2014 31-10-2014 10-11-2014 20-11-2014</td> <td>3 3 3 3 3</td> <td>3 3 3 3 3</td> </tr> </tbody> </table> | Meetings | Date | No. of Members | Member Present | Board Meeting | 14-11-2014 | 8 | 8 | Audit Committee Meeting | 14-11-2014 | 3 | 3 | Stakeholders Relationship Committee | 10-10-2014 20-10-2014 31-10-2014 10-11-2014 20-11-2014 | 3 3 3 3 3 | 3 3 3 3 3 | | | | | | | | | | | |
| Meetings | Date | No. of Members | Member Present | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Board Meeting | 14-11-2014 | 8 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Audit Committee Meeting | 14-11-2014 | 3 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stakeholders Relationship Committee | 10-10-2014 20-10-2014 31-10-2014 10-11-2014 20-11-2014 | 3 3 3 3 3 | 3 3 3 3 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | | | 30-11-2014 10-12-2014 20-12-2014 31-12-2014 | 3 3 3 3 | 3 3 3 3 | |
| | | | Number of directors who are members of more than 10 Committees or act as Chairman in more than 5 Committees across all companies in which they are director | NIL | | | |
| | | | Whether every director has informed the Company about the Committee position he occupies in other companies and has Notified changes, if any | YES | | | |
| (E) Code of Conduct | 49 (IIE) | Yes | | | | | |
| (F) Whistle Blower Policy | 49(IIIF) | Yes | | | | | |
| III. Audit Committee | 49 III | | | | | | |
| (A) Qualified & Independent Audit Committee | 49 II I(A) | Yes | <p>Members:</p> <ul style="list-style-type: none"> - Sh. G.D. Gupta Non-Executive &Independent - Chairman - Sh. Praveen Paliwal Non-Executive &Independent - Member - Sh. A.K. Rathore Non-Executive &Independent - Member - Sh. Anil Gupta Non-Executive &Independent - Member <p>The Company Secretary is the Secretary of the Committee. All members of Audit Committee are financially literate and have accounting and related financial management expertise.</p> | | | | |
| (B) Meeting of Audit Committee | 49 III (B) | Yes | During the quarter ended on 31-12.2014, the Meeting of Audit Committee was held on 14-11.2014. In this meeting, the Audit Committee reviewed general working of the Company as a whole and reviewed the Provisional Working Results of the Company for the quarter ended 30.09.2014. | | | | |
| (C) Power of Audit Committee | 49III (C) | Yes | <p><u>The Audit Committee includes the following powers:</u></p> <p>To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board To discuss any related issues with the internal and statutory auditors and the management of the company. To investigate into any matter in relation to the items or referred to it by the Board To obtain professional advice from external sources .</p> | | | | |
| (D) Role of Audit Committee | 49 III (D) | YES | <p><u>The role of Audit Committee includes the following:</u></p> <p>(i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company; (ii) review and monitor the auditor’s independence and performance, and effectiveness of audit process; (iii) examination of the financial statement and the auditors’ report thereon; (iv) approval or any subsequent modification of transactions of the company</p> | | | | |

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| | | | with related parties; (v) scrutiny of inter-corporate loans and investments; (vi) valuation of undertakings or assets of the company, wherever it is necessary; (vii) evaluation of internal financial controls and risk management systems; (viii) monitoring the end use of funds raised through public offers and related matters.(ix) any other matter specified by Board in writing. |
| (E) Review of information by Audit Committee | 49III (E) | Yes | During the quarter ending 31-12-2014, the Meeting of Audit Committee was held on 14-11-2014. In this meeting, the Audit Committee reviewed general working of the Company as a whole and a reviewed unaudited Financial Results of the Company for the quarter ending 30-9-2014. |
| IV Nomination and Remuneration Committee | 49 IV | Yes | <u>Members:</u> - Sh. G.D. Gupta Non-Executive &Independent - Chairman - Sh. Praveen Paliwal Non-Executive &Independent - Member - Sh. A.K. Rathore Non-Executive &Independent - Member - Sh. Anil Gupta Non-Executive &Independent - Member The Company Secretary is the Secretary of the Committee. |
| V. Subsidiary Companies | 49 (V) | NA | The company has no subsidiary company. |
| VI Risk Management | 49 (VI) | NA | |
| VII Related Party Transactions | 49 (VII) | Yes | |
| VIII. Disclosures | 49(VIII) | | |
| (A) Related party transactions | 49 VIII (A) | YES | The details of related party transactions along-with its basis are being placed before the Audit Commit and Board regularly. |
| (B) Disclosure of Accounting treatment | 49 VIII (B) | YES | Complied |
| (C) Remuneration of Directors | 49VIII(C) | YES | 1. All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company has disclosed in the Annual Report for the year 2013-14 2. The following disclosures, if any, on remuneration for the year ended 31.03.2014 has been made in the Annual Report for the year 2013-14 - All elements of remuneration package of all the directors; - Details of fixed components & performance linked incentives; - Service contracts, notice period, severance fee (if any) & - Stock option details (if any). 3. No other payment is made to the non-executive director except sitting fees for attending the meeting of Board. |
| (D) Management | 49(VIII D) | YES | The requisite information such as opportunities, threats, outlooks, risks, industry etc. are being commented upon in the Director's Report of the Company and the Directors are also briefed on the issues in the Board Meeting. |
| (E) Shareholders | 49 (VIII E) | YES | The shareholders shall be / are being duly provided with the details of the directors proposed to be appointed/ re-appointed, if any. The meetings of Share/Debtenture Transfer-cum-Shareholders'/ Investors' Grievance Committee were held on the dates given above wherein, inter-alia, a report regarding redressal of grievance, if any, during the quarter ended on 30-09.2014, was tabled and discussed. |
| (F) Disclosure of resignation of directors. | 49(VIII F) | Yes | |
| (G) Disclosure of formal letter of appointment | 49(VIII G) | Yes | |
| (H) Disclosures in the Annual Report issue, preferential issues etc. | 49 (VIII H) | NA | |
| IX CEO/CFO Certification | 49 (IX) | YES | The requisite certificate was obtained from the CEO/ CFO of the Company under the clause |

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| | | | 49 (IX) of Listing Agreement at the time of finalization of accounts for the Financial Year 2013-14. |
| X Report on Corporate Governance | 49 (X) | YES | The Annual Report includes a separate section on Corporate Governance implemented in the company, giving a detailed compliance report of the various requirements forming part of the Listing Agreement. |
| XI. Compliance | 49 (XI) | YES | The certificate regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement from the Auditors of the Company has been annexed with the Directors' Report and the same is a part of the Annual Report for the year 2013-14.. |

Date

3-1-2015

For Pasupati Spinning and Weaving Mills Limited

Rekha Sharma

Company Secretary